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SUBJECT: JERUSALEM MEDIA REACTION (08/31): Indications of progress
on a prisoner exchange deal

Main Stories:

Al-Ayyam leads with news on Israeli Prime Minister Benjamin Netanyahu denying news that a prisoner exchange deal has been reached. Netanyahu is quoted as saying during the weekly cabinet meeting on August 30, "we are not close to achieving a breakthrough on [kidnapped Israeli soldier Gilad] Shalit's release." Al-Quds runs front page news citing a senior Egyptian official noting that the prisoner exchange deal with Israel is almost done pending a few issues, including the release of Marwan Barghouti and determining where to send the released prisoners.

Al-Quds leads with news about an Israeli plan to build a new settlement in East Jerusalem that will accommodate more than 2000 people in addition to building a new commercial center and cemetery. According to coverage, the anticipated new settlement will be built on land between the Shufat and Beit Hanina neighborhoods.

The local press report on Palestinian Authority (PA) President Mahmoud Abbas's meeting with the Emir of Qatar Hamad Bin Khalifa in Doha on August 30. The meeting focused on recent developments in the Middle East and the Palestinian national dialogue. President Abbas stated in an interview with Al-Jazeera that he is not willing to meet with Prime Minister Netanyahu unless there is a settlement freeze.

Al-Quds runs front page news citing Wafa News Agency on PA Prime Minister Salam Fayyad reiterating on August 30 during his visit to the Supreme Judicial Council in Ramallah that the PA is committed to supporting the independence of the judicial authority in Palestine as well as maintaining law and order for the Palestinian people.

Weekend Stories:

Sunday, August 30:

All dailies front page news citing the German newspaper Der Spiegel that German mediators got an agreement from Israel for release of kidnapped Israeli soldier Gilad Shalit in return for the release of 450 Palestinian prisoners. Israel has given Hamas until the beginning of September to accept the offer. The Israeli government also said it will later release another number of prisoners as a "humanitarian gesture" if Hamas agrees to the deal.

Al Ayyam front pages a story citing well informed Palestinian sources that US Envoy George Mitchell will arrive in the region within the next two weeks to formulate a list of obligations that the parties will be asked to implement to create a positive atmosphere necessary for moving the peace process forward. According to several sources, Mitchell will submit his conclusions to President Barack Obama who will then determine the next steps in the process.

Al Ayyam front pages a story that Egypt has conducted a number of consultations with heads of the various Palestinian factions in preparation for the next round of Palestinian national dialogue that will take place after Eid Al Fitr in late September.

Al Quds front pages a story on Palestinian and international efforts

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to impose sanctions on foreign companies helping to build the light rail transport system in Jerusalem. The Palestinian campaign is led by a coalition of civil society organizations and the Popular Campaign against the Wall. These efforts have contributed to the recent announcement by French transport company Veolia of its withdrawal from the project following divestments and other sanctions that have cost the company approximately \$7 billion in losses, according to coverage.

Saturday, August 29:

Al Ayyam and Al Hayat Al Jadida carry front page news on Egyptian Minister of Foreign Affairs Ahmed Aboul Gheit's announcement yesterday from Stockholm that Egypt wants the "revival of negotiations between Israel and Palestinians to take place simultaneously with the freezing of settlements in the Palestinian territories." Aboul Gheit added, "if Israelis said the freezing will extend over a six-month period, the deadline for conducting the negotiations should be six months too, and the deadlines should be synchronized."

Al Hayat Al Jadida and Al Ayyam carry a front page story on US Consul General Jake Waller announcing an \$81 million grant to UNRWA in support of its regional emergency program in the West Bank and Gaza Strip during a ceremony that took place at the UNRWA school in Ayda Refugee camp north of Bethlehem. Waller said that the grant will provide necessary humanitarian assistance to one million refugees in Gaza, including emergency food aid, assistance for the creation of jobs, support for special health and education programs for children, as well as for the rehabilitation of shelters, health clinics, and schools that were damaged earlier this year. Waller reiterated US support for the Road Map and the two-state solution and urged the Palestinian people to maintain hope.

Al Quds front pages a story citing senior Palestinian officials saying that President Abbas will issue a decree to the Central Election Commission in October tasking them to take all needed actions to prepare for conducting presidential and legislative elections in January 2010. Sources added that President Abbas believes that the Central Election Commission will find the legal and technological means for guaranteeing the participation of voters in Jerusalem, the West Bank, and Gaza Strip in the elections.

BLOCK QUOTES:

1) Odeh Erikat opines in Al-Quds independent daily under the title "Pursuing meaningful negotiations" (08/31): "If the Palestinian-Israeli negotiations are left without international support and without US intervention, the negotiations will not move forward and there will be no tangible outcome, regardless of the duration of negotiations ... This is especially so since Israel is asking for normalizing relations with the Arab States and imposing sanctions against Iran prior to pursuing negotiations, which is not acceptable to the Arab states."

2) Omar Hilmi Al-Ghoul opined in Al-Hayat Al-Jadida official daily under the headline "When will the trilateral meeting take place?"

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(08/31): "Nothing is prohibiting the trilateral meeting between Netanyahu, Abbas and Obama in New York except the Israelis being stubborn about refusing the two-state solution and rejecting the

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whole political reconciliation in general."

WALLES